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MAJOR REVIEWS: REPORT OF THE SECRETARY-GENERAL OF THE CONFERENCE

SUMMARY

1. This paper is submitted in response to a request from the Preparatory Committee, at its organizational session, for the secretariat to present a report on each of the four substantive reviews to be undertaken by the Conference, as noted in paragraphs 3(a), 3(b), 3 (c) and 3(d) of General Assembly resolution 47/180.

2. This report, presented in the form of an annotated outline, proposes that the four reviews be undertaken as a unified report, considering that: (a) issues to be dealt with in the four reviews have a degree of interdependence and overlap; and (b) the reviews would depend largely on the same or similar sources of information, such as country reports, technical reports, indicators and other required forms of data.

3. It is proposed further that the four reviews follow a logical sequence in time and substance, using an analytical approach in discussing the key cross-cutting issues underlying past mandates and current strategies. Within the context of complex interrelationships between human settlements and global economic and social trends, the present report outlines the issues for review.

4. The Preparatory Committee will note that a substantive report on the contribution of international action in the field of human settlements to the implementation of Agenda 21 has already been completed and submitted to the Commission on Sustainable Development (CSD) for review at its session in May 1994. The present outline report to the Preparatory Committee has incorporated an extract of the report to the CSD (Chapter IV), together with proposed modalities for the review called for in General Assembly resolution 47/180, paragraph 3(c).

5. The Preparatory Committee is invited to consider the outline of the proposed unified review, the substantive issues pertaining to the four reviews, and their relationship to the Global Plan of Action. It is proposed that a detailed report covering all four subjects in a unified manner will be presented to the Preparatory Committee for review at its second session in May 1995, with the objective of enabling the Conference in 1996 to carry out a comprehensive review of human settlements issues on as a basis for the Global Plan of Action.

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I. INTRODUCTION

A. The mandate

1. General Assembly resolution 47/180 requested that the Habitat II Conference should, *inter alia*:

(a) Review trends in policies and programmes undertaken by countries and international organizations to implement the recommendations adopted by Habitat: United Nations Conference on Human Settlements;

(b) Conduct a mid-term review of the implementation of the Global Strategy for Shelter to the Year 2000 and make recommendations for the attaining of its objectives by the target date;

(c) Review the contribution of national and international action in the area of human settlements to the implementation of Agenda 21;

(d) Review current global trends in economic and social development as they affect planning, development and management of human settlements, and make recommendations for future action at the national and the international levels.

2. In the report of its organizational meeting, the Preparatory Committee for the United Nations Conference on Human Settlements (Habitat II) decided to consider issues contained in (a), (b), (c), and (d), above, and their relationship to the proposed Global Action Plan at the first substantive session of the Preparatory Committee on the basis of reports by the Secretary-General.

B. Unified report

3. The present paper integrates a response to these mandates by providing the Preparatory Committee at its first substantive meeting with a report on the four subjects requested for review and with a discussion of the issues. It is proposed that a draft of the detailed report covering all four subjects in a unified manner, to be reviewed by the 1996 Conference as instructed by the General Assembly, will be presented in final draft form to the Preparatory Committee at its second meeting in 1995.

4. The objectives of the unified report will be:

(a) To provide a substantive and historical review of global experience in implementing human settlements policies and programmes since Habitat I in 1976;

(b) To appraise the experience with implementing the Habitat I recommendations, the Global Shelter Strategy, the International Year of Shelter for the Homeless, Agenda 21, and other global strategies within the context and trends of global social and economic development policies;

(c) To establish a substantive basis and rationale for the formulation of a statement of principles and the adoption of a global plan of action by the Habitat II Conference.

C. The documentation process

5. The report will follow a logical sequence in time and substance, maintaining clear identity of the four themes under which the review of developments since 1976 will be conducted. At the same time, the report will lead toward a synthetic view which will serve to identify and trace the forces underlying and driving these issues into the future. The report will follow an analytical, problem-solving approach discussing in a consistent manner the key cross-cutting issues identified in the thematic reviews, bringing out the lessons learned from past mandates and current global strategies, identifying the challenges that must be met and the opportunities that must be seized by Member Governments, international agencies, and other stakeholders in order to meet the objectives of the Conference.

6. Particular attention will be paid to international developments and significant events since the adoption of the Habitat I recommendations and to the complexity of historic and substantive interrelationships in the political, economic, and social arenas. Factors and global events such as new international terms of trade, the end of the Cold War, and the emergence of regional ethnic and religious conflicts have demonstrated that prospects for the improvement of global human settlements conditions are increasingly determined by developments outside a human

settlements agenda. In addition, strategies to establish and correct economic and fiscal conditions at global and national levels, continue to impact significantly on the ability of governments and the international community to implement the goals of the Global Strategy for Shelter and Agenda 21.

7. Unprecedented population expansion and rural-urban migration in the developing countries have been the key determinants of city growth and urbanization since 1945. Moreover, policies and measures to promote economic growth and industrialization in the developing countries have been transforming predominantly agricultural and rural societies into more industrialized and urban ones in a relatively short time. The transformation of the rural economy, however, has changed the nature of rural settlements, giving them more complex "urban" functions. At the same time, economic and technological changes have transformed the physical structure, social composition, and economic base of cities and towns in the highly urbanized industrialized societies.

8. Furthermore, global economic integration resulting from increased international trade, greater flows of capital, more sophisticated forms of telecommunication, new waves of technologies, and shifts in the comparative advantage of production continue to play a central role in shaping the spatial integration and organization of national economies in all countries.

9. Within the context of complex interrelationships between human settlement action and global political and economic developments, the report will trace the implementation of: Habitat I recommendations; the International Year of Shelter for the Homeless (IYSH), the New Agenda for Human Settlements the Global Shelter Strategy; and the human settlements related chapters of Agenda 21. In doing so, it is considered appropriate to start with an assessment of global development thinking as it was generally understood at the time of the Habitat I Conference: the basic-needs concept, the focus on government-led action, and the expectation at that time that the new economic order would allow the generation of adequate financial resources to improve human settlements conditions.

10. While there is an historical and logical sequence in the formulation of subsequent strategies (IYSH, Global Shelter Strategy, Agenda 21), a fair amount of "overlapping" among these strategies can be observed. These substantive and sequential linkages call for a common method of data collection and critical appraisal of their impacts at the global and national levels. At the same time, consideration will be given to the evolution of development policies and emerging concepts (e.g., public-private partnerships, decentralization, capacity building, enabling strategies, gender-in-development, participation, NGOs, environment, sustainable development) in terms of their effects on the methodology of measuring the achievements and failures of human settlements strategies.

11. Seen from the perspective of a global framework for economic and social development, the road from Vancouver to Istanbul is marked by the largely unfulfilled expectation of the 1970s that the New International Economic Order would lead to global economic stability, "fair" terms of trade, and the transfer of resources between the North and the South which, in turn, would lead to a sustained promotion of welfare of all the world's people and to economic

advancement of the world's poorer countries.

II. IMPLEMENTATION OF THE VANCOUVER ACTION PLAN (Habitat I)

Mandate: *To review trends in policies and programmes undertaken by countries and international organizations to implement the recommendations adopted by Habitat: United Nations Conference on Human Settlements* [General Assembly resolution 47/180 section 3(a)]

A. Habitat I recommendations

1. The context of Habitat I: major issues of the 1970s

12. Habitat I, held in Vancouver in 1976, adopted 64 recommendations for national action which were considered essential in furthering the cause of human settlements in the context of national development. The Conference had major impacts on the development of the shelter sector; it resulted in a unanimous call for government action and international cooperation for improving human settlements conditions in all countries. It resulted also in the establishment of a global intergovernmental body in 1978, the United Nations Commission for Human Settlements, with UNCHS (Habitat) as its secretariat. Habitat I put the human settlements sector for the first time on the international agenda and thus encouraged governments and the international development agencies to formulate their own approaches and strategies for the built environment.

13. This review will recall the expectations which were attached to the formulation of the New International Economic Order in the mid-1970s, the philosophy of the International Development Strategy for the Second United Nations Development Decade (1970-1980), and major results of the Global Review of Human Settlements which was prepared in 1976 for the Vancouver Conference. In light of the major issues in the 1970s, the analysis will identify the key trends of development policies of that time.

2. Habitat I recommendations: expectations, assumptions, framework for implementation

14. The contribution of the Vancouver Conference was to unify, under the heading of human settlements, several elements that had been previously considered rather separately from one another - housing, building, planning - and the relationship of these and other activities to environmental change and national and international development. Subsequently, in order to reflect the holistic nature of this new human settlements dimension of national and global development, new institutional arrangements were also foreseen within the United Nations system.

15. The responsibility of implementing the Vancouver Action Plan was clearly given to national governments who received the mandate "to develop spatial strategy plans and adopt human settlements policies" - a new concept at that time which was widely discussed and defined

for different circumstances. The international community was assigned the responsibility of supporting national efforts through providing financial and technical assistance to countries. This assistance was aimed at fulfilling the targets set in the International Development Strategy for the Second United Nations Development Decade.

16. A critical analysis of the expectations, assumptions, and frameworks for implementation by governments and by the international community will be undertaken in this review.

B. Implementing the Habitat I Plan of Action: achievements and failures

1. National actions

17. This section will draw upon such existing material as country reports provided regularly to the Commission on Human Settlements and research reports produced by independent organizations at the national level. The International Institute for Environment and Development (IIED) conducted assessments in more than 20 countries for the period 1979-1983. It may be instructive to select some of the same countries to conduct further assessments. It may also be appropriate to make reference to countries where the Shelter Indicators Programme is being implemented.

18. The review will focus on problems of implementation and impacts on settlement policies, housing policies, programme replicability and sustainability. It will also cover actions at the national and community/NGO level. The analysis will lead to a global assessment of the significance of Habitat I recommendations in providing direction to governments and international cooperation agencies in formulating and implementing appropriate human settlements policies. The analysis will critically review the inherent assumptions of recommendations (e.g., public sector-led implementation of programmes, adequacy of financial and technical resources, the global prevalence of the New International Economic Order) and outline the interdependence between human settlements programmes and the need for supportive frameworks of political, social, and economic conditions at national levels. It will comment, based on national contributions, on the sectoral (transport, housing, etc.) bias of public administration.

2. International cooperation

19. This section will examine the periodic reports on aid flows and other material from international organizations (UNCHS (Habitat), World Bank, UNDP, regional commissions etc.) Special attention will be given to issues related to impacts on housing policy, programme replicability and sustainability, target populations, affordability and accessibility and other problems in implementation. The analysis will assess to what extent Habitat I recommendations influenced budgets and programmes in international organizations, including international NGOs.

C. Changes in focus since 1976

20. Changes in the focus on urban development and shelter issues and the new approach will be analysed for the first decade of implementing the Habitat I recommendations. This section will draw upon the analysis of global socio-economic and political changes over the period and the activities of the international community and of countries leading to the adoption of the International Year of Shelter for the Homeless (IYSH) in 1987 and the New Agenda for Human Settlements.

21. Reference will be made to such changes in living conditions and urban development as uncontrolled urban growth and deteriorating shelter conditions; a worldwide recession and the economic crisis in developing countries; shortcomings of the public sector to manage urban growth and improve living conditions, leading to the global focus on the shelter crisis (IYSH) and the need for revised human settlement strategies.

22. This section will synthesize the results and lessons learned through IYSH and the New Agenda for Human Settlements. It will appraise the results of IYSH action at the community/NGO, national, and international levels. Special emphasis will be on aspects related to focus, goals orientation, operational relevance, dissemination and follow-up processes of the new strategy recommendations.

III. THE GLOBAL STRATEGY FOR SHELTER TO THE YEAR 2000 (GSS)

Mandate: *Conduct a mid-term review of the implementation of the Global Strategy for Shelter to the Year 2000 and make recommendations for the attaining of the its objectives by the target date* [General Assembly resolution 47/180 section 3(b)]

A. Evolution of the GSS

23. In general terms, the global success of the International Year of Shelter for the Homeless (IYSH) was limited to raising public awareness of the continuing distressed living conditions of the world's urban and rural poor. Conditions of homelessness have since become a focus of public concern. At the same time, IYSH led to a widespread realization among politicians, technocrats and the academic community that public-sector programmes are unlikely to cope with the scale of the problems of the poor. Encouraged by a number of successful but isolated community-based programmes for improving living conditions in poor urban settlements, a gradual shift in emphasis away from conventional construction projects became evident.

24. As a further step in focusing certain principles of the New Agenda for Human Settlements, the Global Strategy for Shelter to the Year 2000, which was adopted by the General Assembly in resolution 47/181 in 1988, emphasizes an enabling approach to shelter production and improvement so that the resources of all the different actors are mobilized.

25. The GSS is based on the recognition that in most developing countries, national shelter policies have not been successful in ensuring the production of basic shelter at the scale needed, mainly because these policies did not fully recognize the potential of people's contributions. The GSS therefore urges that governments move away from actual construction [illegible] facilitate access to land, finance, infrastructure and services, [illegible] of restrictive regulations and procedures, and the introduction of realistic and efficient regulations controlling building and land use, strengthening institutional frameworks that encourage people's participation. The GSS also urges that programmes in shelter and services be coordinated with other sectors of national development and be integrated with the macro-economy.

26. A number of governments have adopted enabling approaches and prepared national shelter strategies. The experience of countries has been varied. There are instances of success. However, many difficulties are becoming apparent, partly due to the complexity of the institutional and legal improvements that are necessary to implement enabling strategies and partly due to the changing economic and political situations.

B. Mid-term review of the GSS

27. It is proposed to carry out the mid-term review through national case studies and regional analyses with the involvement of independent bodies. Recommendations for the attainment of

the GSS objectives will be provided in the Global Plan of Action to be adopted by the Habitat II Conference.

28. The GSS is based on a sound set of principles and contains an extensive set of guidelines for national action. Many governments have used the Monitoring Guidelines for National Shelter Strategies adopted by the Commission on Human Settlements at it thirteenth session, for assessing progress in the implementation of the GSS at the country level.[1] The mid-term review will use these guidelines as a basis, but will also take into account relevant issues that have emerged since the adoption of the GSS.

29. Because the operational focus of the GSS is at the national level, the review will concentrate on action at that level, both in its qualitative as well as the quantitative aspects, and will also cover international and regional initiatives to support national efforts to implement the strategy.

1. Focus of the review

30. The review shall focus on the following fundamental issues:

(a) achievements and shortcomings in formulating and implementing national shelter strategies;

(b) impacts of the GSS on achieving the goal of adequate shelter for all;

(c) international support to the GSS: focus on the formulation of national shelter policies and single shelter projects.

The review will also make a critical assessment of continuing implementation constraints at country and international levels: lack of policy implementation capacities; limited involvement of the private sector; constraints of the project approach; the need for more support to public/private partnerships; and community involvement.

2. Issues

31. Specifically, the review should address the following issues:

(a) Understanding of the strategy: the extent to which the concepts of the GSS are known and understood by the governments, particularly the actions required for the reorganization of the shelter sector;

(b) Political commitment: the ways in which governments have demonstrated a commitment towards implementing the GSS at the national level;

(c) Needs and resources: methods adopted to define available resources and assessment of additional resources that could be mobilized;

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(d) Enabling strategies: the major features of the enabling strategies adopted by governments and the measures taken to implement them;

(e) Participation: the different measures taken to promote the involvement of the private sector, NGOs, CBOs, women and other major groups in the shelter sector;

(f) Local authorities: the extent to which the local authorities are able to respond to needs of communities. Have they been delegated responsibility and resources for shelter? Do they have appropriate regulatory and financial instruments and the necessary human resources to promote shelter construction?

(g) Inspirational examples: are there any demonstrative examples in implementing the GSS? What are the results of these examples? Could they provide a model for other countries in the sub-regions?

3. Linkages and limitations

32. This will be a reassessment of the linkages between shelter, housing, urban development, and urban operators.

C. Quantitative impacts of national action

33. A clear need of the mid-term review of the GSS is to obtain a measure of the improvements in living conditions of the people in countries since its adoption. In order to be able to develop a set of forward-looking recommendations based on these findings, the review will require an approach which has rigorous and analytic foundations. An objective review of the performance of the housing sector will therefore depend to a great extent, on the quality and reliability of available country data. The Shelter Sector Performance Indicators Programme, which has now reached the global implementation phase, has the capability to improve and strengthen the analytical framework of the review process in several ways.

34. Housing indicators have been chosen to provide a clear view of the performance of the housing sector, including information on housing affordability, quality, finance, production, subsidies, and the working of the regulatory and institutional environment. They include 25 key indicators, 10 alternate, and 20 regulatory audit indicators. In addition, a number of intermediate values which represent indicators in and of themselves, have also been obtained for the purpose of calculating the indicators. As a result, a substantive collection of data relating to the housing sector performance of a large number of countries, gathered during the development phase of the Housing Indicators Programme, will be available for use in the GSS review.

35. Secondly, during the global implementation phase of the programme, which commenced during the second half of 1993, indicator values for a set of key policy-sensitive indicators will be collected in approximately 80 countries every year on a regular basis. While the findings of

this programme will be a direct input to the proposed review, and depending on the specific needs of the review, the coverage of the programme during the early years of its implementation could be expanded to include a larger number of countries. Similarly, the indicators for which data are collected could also be increased to include related issues such as gender concerns and environment to provide additional information for the review.

36. A third source of information for the proposed review will be the most recent initiative of UNCHS (Habitat) and the World Bank, to develop a set of policy-related indicators of performance to measure the development impacts of urban policies and programmes in the fields of urban infrastructure, finance, environment, social services, productivity, poverty, and quality of life. This Urban Indicators Programme which is built on the successful collaboration embodied by the Housing Indicators Programme will contribute to strengthening the analytical foundations of country reporting during the preparatory process leading to Habitat II. The programme, during its development phase, will undertake field work in 30 - 35 countries to collect and analyse data relating to selected urban indicators. The data collection from this field research is expected to be complete during the second half of 1994 and will provide a valuable input to the mid-term review of the GSS.

37. A fourth source of information is the set of indicators developed to assess the participation of women in the GSS.

38. A fifth source of information is data from governments which have instituted the application of shelter indicators pursuant to the decision of the Commission on Human Settlements at its thirteenth session.

D. International support to the GSS

39. This section will review the impact of a variety of international support to national action provided by a number of organizations in the formulation and implementation of national shelter strategies. Some examples are:

(a) UNCHS (Habitat) as coordinating agency: GSS sub-regional seminars, advisory services, technical cooperation, research and development, information and dissemination;

(b) The World Bank: in the development of shelter indicators and in its loan programme;

(c) UNDP: support to UNCHS (Habitat) advisory services and technical assistance;

(d) United Nations: WHO on health and shelter; ILO on shelter and employment; UNIDO on building materials;

(e) Regional development banks: Asian Development Bank on infrastructure and waste management;

(f) Bilateral donors: FINNIDA, DANIDA, USAID, others;

(g) Intergovernmental organizations: SAARC regional shelter meeting; League of Arab States initiative in the GSS Arab States sub-regional meeting;

(h) Business: the Third International Shelter Conference, the Coalition of Housing Finance Institutions in Asia;

(i) NGOs: Habitat International Coalition (HIC) progress on the human right to housing and the HIC Women and Shelter Network, Asian Coalition for Housing Rights (ACHR) and other NGOs.

E. Conclusions and outlook to the year 2000

40. An overview of the above three analyses will consider a number of aspects in the implementation of the GSS. These will include an assessment of the ways in which the enabling strategies have been conceived; constraints in planning and implementation of shelter strategies; the apparent lack of capacity for inter-sectoral integration and for policy implementation; the slow improvement in the role of women in shelter; constraints of the project approach; the limited involvement of the private sector and the need for more support to public/private partnership; and greater participation of NGOs and community groups.

41. The review will also examine the conceptual framework of the GSS and its practicability in national contexts.

42. On the basis of the analyses of the quantitative aspects of implementation of the GSS, the prospects for realizing the GSS objective by the year 2000 will be considered. Conclusions will be drawn on the types of initiatives that may be necessary at the national and international levels including a qualifying definition of the overall objective.

IV. AGENDA 21 AND HUMAN SETTLEMENTS

Mandate: *To review the contribution of national and international action in the area of human settlements to the implementation of Agenda 21* [General Assembly resolution 47/180 section 3(c)].

43. In an urbanizing world, human settlements are where most of the economic activities will be concentrated, where most of the pressure on the environment will be generated and felt, and where most of the sectoral programmes included in Agenda 21 will have to be implemented. It is at the level of local administration that various policy initiatives will become an operational reality, and where relevant actions will have to be coordinated and managed. Also, since people and communities are the central actors and the driving force behind human settlements development, the broader human development needs also will have to be addressed, in large part, within human settlements. This implies that sustainable development of human settlements will be crucial for sustainable development at large, and for this to be achieved, the attainment of virtually all objectives set in Agenda 21 will be vital.

44. The objectives of chapter 7 of Agenda 21, on human settlements and its integrating role, should be viewed in this context. The chapter's emphasis on human settlements planning and management and on capacity-building, on the provision of environmental infrastructure, basic service, and housing, on land-use planning and management, on more efficient use of energy and energy-efficient transport systems, and on sustainable construction activities reflect an appreciation of the centrality of all these programmes to the achievement of key goals of Agenda 21. Certainly, without success in all these chapter 7 programme areas, Agenda 21 will not advance very far towards its goals in such key areas as environmental protection, poverty alleviation, health and macro-economic growth and development.

A. Objectives and scope of the review

45. The objective of the Habitat II Conference is "to arrest the deterioration of human settlements and to create the conditions for achieving improvements in the living environment of all people on a sustainable basis." This is also the central concern of Chapter 7 of Agenda 21 which seeks to improve the social, economic, and environmental quality of human settlements and the living and working environments of all people, in particular the urban and rural poor. In fact, Agenda 21 already provides a framework for the Global Plan of Action that the Habitat II Conference is to formulate. The emerging implementation experience of Agenda 21 can, therefore, provide a valuable insight into the capacities and constraints of the stakeholders at local, national, and international levels; new challenges and opportunities that have surfaced since the Rio Conference in 1992; and the innovative approaches and strategies that are being tried out in the implementation process. The lessons learned from the ongoing implementation of Agenda 21 will, therefore, be of particular relevance to the Preparatory Committee of Habitat II as it considers the formation of a global plan of action for guiding national and international initiatives through the first two decades of the next century.

46. The broad scope of the review will be to:

(a) Assess the contribution of the policies, programmes and other actions initiated in the implementation of Agenda 21 by national governments, the major groups (in particular, by the local governments, NGOs, the private sector, and women), and the international community, to the sustainable development of human settlements;

(b) Point to the major policy and institutional constraints in achieving the human settlement goals of Agenda 21;

(c) Provide information on the emerging new approaches to human settlements development strategies that are increasingly replacing conventional approaches;

(d) Suggest, in the light of the implementation experience, the key issues and priorities that should be addressed by the Global Plan of Action so as to create an enabling environment for all the major stakeholders and actors to contribute effectively in the sustainable development of human settlements.

47. The review will also incorporate and bring to the attention of Habitat II Conference the progress of the work of the Commission on Sustainable Development which will, in its second session to be held in May 1994, *inter alia*, consider the implementation of chapter 7 of Agenda 21 within the thematic cluster: "Health, human settlements, and freshwater."

B. The review process

48. The review process will specifically focus on the actions of three groups of stakeholders and actors whose contributions are critical to the achievement of sustainable development goals. These are:

(a) Actions by major groups (including women, local communities and their organizations, other NGOs, business and industrial associations, and professional and scientific communities);

(b) Actions by national and local governments;

(c) Actions by the international community.

1. The national preparatory process for Habitat II

49. A broad-based national process preparatory to the Habitat II Conference will be the basic source of information on contributions by national and local governments and by the major groups. Such a process will not only serve the purpose of reporting to the Habitat II Conference but will also help initiate longer-term national and local-level actions for monitoring the implementation of Agenda 21 in the area of human settlements.

50. The Commission on Human Settlements, in its resolution 14/20 on preparations for the United Nations Conference on Human Settlements (Habitat II), provides an adequate framework for the preparation of country reports by a national task force/steering committee with the participation of major groups. The preparation of national reports on the two substantive themes proposed for Habitat II, according to the resolution, will ensure the availability of extensive information on ongoing and planned activities of national and local governments and the major groups in the implementation of Agenda 21. The guidelines for national action (appended to the resolution) have already been elaborated and used as tools to support the work on housing indicators and urban indicators.

51. The human settlements goals of Agenda 21, for the most part, will be achieved through local actions, by developing local solutions to locally defined problems. Assessing the challenges and opportunities as well as capacities and constraints at the local level will, therefore, be crucial to understanding the key issues and options vital for the formulation of a global action plan for human settlements. The national reporting process should, therefore, allow full participation of all local stakeholders and actors, especially the non-governmental organizations, local communities, business and industry, by encouraging and facilitating extensive consultations.

52. The preparatory process also provides an opportunity to consolidate the efforts of the donor countries within a comprehensive Global Plan of Action. The national reports could serve as a valuable source of information in this regard, documenting the post-UNCED initiatives of bilateral and multilateral aid agencies to support national efforts in the implementation of Agenda 21 in the developing and transitional countries.

2. Work programme for the Commission on Sustainable Development

53. Another important source of information will be the Commission on Sustainable Development (CSD) which has already established an elaborate mechanism for monitoring and reporting on the implementation of Agenda 21. The established information channels include reporting by the agencies within the United Nations system, international, regional and subregional intergovernmental organizations, as well as national governments. For reporting on activities of the United Nations system of agencies, the Inter-Agency Committee on Sustainable Development (IACSD) has designated selected agencies as Task Managers for specific thematic areas. UNCHS (Habitat) has been designated as the Task Manager for human settlements with the responsibility to promoting information exchange and inter-agency contacts, to catalyse joint activities and programmes and to develop system-wide strategies for speedier implementation of Agenda 21.

54. In its capacity as the Task Manager, the UNCHS (Habitat) has already established a collaborative, monitoring and reporting process with other relevant United Nations agencies and has prepared a Working Paper on Human Settlements as an input to the Consolidated Report of the Secretary General to be tabled at the next session of the Commission on Sustainable Development to be held in May 1994. The Working Paper, which summarizes the human settlements related programmes and other activities of the organizations within the United

Nations system in the implementation of Agenda 21, is available to the Preparatory Committee as an information document. Additionally, UNCHS (Habitat) is assisting IACSD in coordinating system-wide efforts in two crucial areas: financial resources and mechanisms and the transfer of environmentally sound technologies for human settlements development.

55. The secretariat will continue to utilize the CSD process for monitoring international action in particular, but also country-level action to the extent that such information becomes available, in reviewing the implementation of Agenda 21. In addition to relying on the preparatory process of Habitat II and the Commission on Sustainable Development, the secretariat will also seek the collaboration of selected national and international NGOs and their associations, as well as of professional and business associations, in the assessment of the contribution of major groups, which would be vital to the implementation of Agenda 21.

V. GLOBAL ECONOMIC AND SOCIAL CONDITIONS AND TRENDS

Mandate: *To review current global trends in economic and social development as they affect planning, development and management of human settlements, and make recommendations for future action at the national and the international levels* [General Assembly resolution 47/180 section 3(d)].

56. With the end of the Cold War and after the collapse of many centrally planned economies, the spread of market-based development strategies has led to new hopes for a revival of the global economy and economic progress in all States. At the same time, the limitation of free market conditions became clear, and there is increased recognition of the need to address demands of social welfare, human development and ecological survival through an interactive and sustainable strategy. Policy-makers and technocrats are faced with the need to devise strategies that place people and their social and economic needs at the centre of development.

57. Urbanization has produced more complex social organizations, being the driving force behind profound social and cultural change, and has produced a more educated public and higher levels of political awareness. It has led to what can be described as a global urban culture which is changing social behaviour and consumption patterns down to the smallest rural settlements.

58. Stagnation in most developing and developed countries' economic growth, debt burdens, collapse of commodity prices and stagnation of import-substitution industries have contributed to increasing levels of urban and rural poverty, clearly demonstrating how human settlements, large or small, are affected by economic trends, including current global economic adjustments. In the meantime, new waves of techno-economic paradigms are in the process of replacing old technologies and production techniques and are changing human settlements in both developed and developing countries.

A. Global macro-economic climates

59. Links will be traced between macro-economic performance and trends in human settlements development over the 1970s and 1980s. Trends and policies in economic development relate to such key macro-economy linked issues as economic stagnation and recession, inflation, rise in real interest rates, unemployment, rise in national debt, economic structural adjustment policies and programmes, terms and patterns of trade, influence and impact on human settlements, their development and management.

60. Economic stagnation, reflected in recession and falling personal and national incomes, reduces the spending/purchasing power of households and institutions, including governments at all levels. This translates into reduced investments in all kinds of facilities and services, including human settlements. Recession affects the volume of international aid flows (bilateral and multilateral), part of which goes to human settlement development. Recession also

exacerbates the unemployment situation, leading to further cycles of poverty. Inflation is one of the most serious macro-economic phenomena that affects human settlements, creating high price levels which reduce access by households to goods and services, including building materials. The influence of inflation on credit availability and interest rates, including mortgage interest rates, has ramifications for various aspects of human settlements development and management, particularly on access to financing.

61. Constraints imposed by international terms of trade severely affect the ability of developing countries to enter the international commodity markets on equal terms. Protectionist policies, in the form of import quotas and tariffs in the industrialized North, continue to keep out manufactured goods from many developing economies. Developments in international trade regimes, in the terms of trade, and in the collapse of primary commodity prices in the world market have severely affected primary commodity-producing countries -- mainly developing countries. Their (foreign exchange) earnings have dwindled and with these their purchasing and investment power, particularly in infrastructure development, has dwindled.

62. Trends in national debt burdens, which have been growing in recent years, result in developing countries spending a significant proportion of their annual national incomes on debt servicing with adverse impacts and repercussions on public-sector investment programmes -- often with devastating affect on human settlements infrastructure development and maintenance. Associated capital flight from developing countries exacerbates the paucity of investment resources.

B. National trends

63. One subject which will demand analysis is the impact of economic structural adjustment programmes on human settlements and, particularly, on social services. Are such programmes an additional barrier to poverty reduction, are they a positive force over time (e.g., in the reduction of inflation), or are they relatively insignificant? Their impacts on human settlements development will be traced through the past decade.

64. Other trends that must be included in the analysis are those related to corruption and lack of accountability, factors clearly in evidence, globally. How are these reflected in the effectiveness or lack of effectiveness of management practices and participatory processes? Is there a growing or a diminishing inability by the public to access its own human settlements administrative apparatus?

C. The increase in urban poverty

65. Trends in global social and economic conditions are marked by the continuing and even growing division between the rich and the poor, both between and within countries. Recent estimates give a global figure of 1 billion people below the poverty line, and the absolute numbers of the poor are still increasing in the developing regions. This 1 billion (about 20

percent of the world's population) earns a little over 2 per cent of the world's total income (with the exception of Asia). What is particularly striking is the increase of urban poverty. While the increase of the world's rural poor is estimated at 11 per cent over the 1970 - 1985 period, the number of urban poor have increased by 73 per cent during the same period (UNCHS estimate).

66. Poverty is emerging in new forms, and in new spatial dimensions. As urban populations swell, the "urbanization of poverty" proceeds apace. The spread of poverty also includes the impoverishment of middle classes in some countries. Poverty is both among the major causes of, and among the major results of, the disintegration of family structure, the rise of single parent-households, the proliferation of street children (especially in parts of Asia and Latin America) and a major increase in the use of child labour, an increase in urban and domestic violence, ethnic and racial tension, and the more widespread use of drugs. Another effect of the despair arising from widespread poverty is a global decline in social and personal security.

67. The manifestation of urban poverty is particularly evident in the continuing spread of urban slum and squatter settlements. Neighbourhoods without adequate shelter, water supply, sanitation, social service facilities, and usually without security of tenure, are home to 60 per cent or more of the population in many urban areas of the developing world, and to all of the urban poor. From the human settlements perspective, poverty is not only a matter of inadequate purchasing power. Exclusion of large parts of society from economic and social development leads to their marginalization. They do not participate actively in decision-making, are severely restricted in their ability to live in adequate shelter conditions, and cannot avail themselves of social services and benefits.

68. At the same time, human settlements development offers useful elements for strategies of poverty alleviation: extension of security of tenure; participation in decision-making through the formation of community organization links between shelter, infrastructure and services provision with employment generation; and through labour-intensive technologies and forms of organization. Promotion of self-help must be a cornerstone of a poverty-oriented human settlements development policy. Moreover, development cannot be sustainable unless it also meets the needs of the least advantaged.

D. The challenge of demographics

69. Urbanization, which is perhaps the most influential socio-economic phenomenon of the last half-century, has tremendous effects on all aspects of human settlements planning, development, and management. Trends in the growth, expansion or decline of cities, metropolitan areas and mega-cities determine the need for shelter, for transportation, water supply, power supplies, and other infrastructure facilities and services, sanitation and waste management and for environmental management in general. It has ramifications also for the types of available employment, for technologies, and for socio-cultural and political changes in society.

70. This review will undertake a detailed analysis of the impacts of these trends in human settlements development and management over the past 20 years to help address the challenge of continuing population growth and urbanization and to provide suggestions directed at which policies and instruments may be applied the better to manage and channel such development.

71. It has been recognized that the main cause of urban growth in the 1990s is not rural-to-urban migration. Rather, the high rates of urbanization are mainly caused by natural increases of the already urbanized population. Moreover, the world has become aware that migration to the cities continues despite massive investments in rural development and the adoption of national strategies to create rural growth poles. Consequently, strategies to "contain" migration to urban areas must be re-examined. As urbanization appears to be inevitable, strategies are needed which maximize the positive effects of urban development and allow the establishment of service-oriented urban economies in growth- and distribution-oriented national economies. Today, 80 per cent of the economic growth of developing countries is produced in and by urban areas.

72. At the same time, there is increased awareness that the actual target groups of strategies to combat inadequate shelter conditions live in the urban areas. Lack of security of tenure, which is a fundamental cause for the continuing state of poor living conditions, is a particular concern of urban development.

E. A local focus

73. Social and economic progress in countries remains widely dependent on a productive and socially equitable balance between market forces and state intervention. Recently, the international debate on development has introduced a new element in the search for an appropriate economic order which would simultaneously promote social progress and sustain economic growth: the quality of a country's civil society. This factor is largely determined by a society's ethical basis, striving for ecological sustainability, social justice, progress in human development, human rights, and participation of people in all aspects of public life. The future role of human settlements in promoting economic and social development will be significantly determined by the ability of a country to perform as a civil society. Cooperation and partnership between local communities, political parties, government at national and local levels, business groups, trade unions, religious congregations, the media, the academic community, as well as voluntary organizations and NGOs, is increasingly recognized as essential to build a functioning civil society. Cooperation between these partners has become a fundamental condition for the success of such global strategies as GSS, Agenda 21, and the future Global Plan of Action.

74. In a number of countries, successful partnerships with the legal status of joint ventures have been established between national and/or local government agencies, on the one hand, and private enterprises/developers on the other hand. They testify to the viability of public interest partnerships in which the public sector provides the enabling environments, at times with the further help of tax incentives, and the private sector achieves economies of scale in the provision of shelter services.

75. Community participation as a strategy of social and economic development has recently emerged in the field of human settlements. Participation as a development concept is, of course, not limited to the human settlements sector and is present in virtually all fields of social and economic development. The emphasis on community participation in human settlements, however, refers to the involvement or engagement of communities and their representatives with the government and its agencies for the purpose of establishing acceptable and affordable solutions to the needs of communities.

76. Increasingly, participatory and democratic involvement of communities and their organizations are seen as essential in the search for socially sustainable development strategies. It is certainly wrong to assume that community participation is at its optimum when it has reached maximum proportions. In some countries, communities may appreciate a limited say in settlements development and prefer to leave elected representatives or officials to handle the rest. In others, where communities are highly socially motivated and politicized, communities may want to participate in an almost unlimited range of activities and responsibilities. Community-based programmes and projects which attempt to work against strongly held feelings can weaken rather than strengthen community participation's scope for success. The appropriate level of community participation cannot be imposed: it can only be determined through dialogue with the community at the local level.

F. The role of major groups

77. The focus on human development (the people's agenda) is also in accordance with the themes which are at the centre of debate in the range of other world conferences and their respective global follow-up agendas: the Commission on Sustainable Development, the Human Rights Conference, The World Conference on Population and Development, and the Fourth World Conference on Women. Habitat II, being the last one in this series, is likely to benefit from a global commitment, built up by the results of previous world events to placing human development and the quality of life at the centre of its own statement of Principles and Global Plan of Action.

78. The concept of social progress and deprivation, originally developed to measure the quality of human development, is being further elaborated by the preparatory process of the World Summit on Social Development. It is suggested that the preparatory process for Habitat II considers a concept of "improvement and deterioration," in an analogue way, to characterize and imbue the state of human settlements conditions with a human development perspective. The gradual move of the international development debate toward human development as the main focus of attention is characterized by several milestones.

79. First, the Human Development Report of UNDP introduced the concept to a global audience and suggested that the application of a human development index for measuring the quality of life was equally indicative for development as the econometric calculation of a country's GDP. Second, the United Nations Conference on Environment and Development (UNCED) adopted Agenda 21 which accords fundamental significance to the role of major

groups in promoting and benefiting from sustainable development, as outlined in the different sector chapters. Thirdly, UNDP is in the process of redefining its priority areas for international development assistance to support the United Nation's Agenda for Peace through a broad range of priorities in assisting countries to promote "sustainable human development." This newly formulated concept calls for a quality of development which includes social progress, more freedom, human rights, environmental protection, and peace.

80. The emergence of NGOs with mediating roles between State institutions and communities, and with direct involvement in the often informal development process in low-income settlements, represents remarkable progress in the search for workable enabling strategies at local levels. The scale, scope and effectiveness of NGO's work with low-income groups in improving shelter conditions and service provision is much influenced by institutional and administrative structures in the public sector, as well as by national policies of cooperation with such organizations. In the human settlements field, NGOs have generally demonstrated their effectiveness in generating a participatory and democratic process at the community level.

81. Trends in concepts of the role of women in development have recently shifted from equity and anti-poverty approaches in specifically targeted support programmes to concepts of gender and development. By focusing on women's and men's social relations and their different roles in the planning process for development policy and projects, a more socially sustainable development can be achieved where service delivery, redistribution, and equity is on the agenda. The present gender-aware approach demands that all policy has a built in gender sensitivity to what it is addressing in order for gender not to be a separate policy issue but rather to be a cross-cutting issue that influences policy and redirects it in its formative stage. As a result, gender offices have been created in public institutions in order to play a catalytic role in integrating gender into the mainstream development and to support women's and social justice organizations through both self-help and advocacy.

VI. TOWARDS A GLOBAL PLAN OF ACTION

A. A complex field of forces

82. Each of the four topics assigned to the Conference for review might easily be delivered independently from one another. The experiences in implementing the Vancouver Action Plan, the GSS, and Agenda 21 could be viewed as important but separate elements in the human settlements agenda over time, elements which were designed to respond to sets of issues in the past and present and which now require only a reformulation or modification to enhance their performance. Treating them as separate phenomena, however, would leave the Conference barren of the potential power of the synergies and broader meanings that can be drawn from an integrated review.

83. To be sure, each review can provide only partial information on the larger human settlements picture, a picture which is extremely complex and constantly changing. Nonetheless, the forces and patterns that may emerge by treating each topic as simply a different perspective on the same urbanization process may lead to insights that would otherwise remain hidden.

84. The fourth review, that of social and economic trends, is the key to this synthesis, the only topic of the four that will address holistically the context of forces that define and determine the form and role of human settlements and their vital linkages to other sectors. The fourth review must, therefore, be designed and implemented to incorporate multidisciplinary talent in forming insights that account for, *inter alia*, the cultural, geographic, technologic, and psychologic -- as well as social and economic -- factors in human settlements management over the next decades.

B. The central role of human settlements

85. One prospective finding from the synthetic approach to the four reviews will be that the settlement is, literally, central to humanity; that it is the locus not just of large groups of people ("theatres of agglomeration" as one professional has abstractly said) but also of humanity's creative and inventive spirit, of the bulk of its economic activity, and of the social relationships that cement countries together and bind one country to another. With all this energy flowing over the settlements grid, which extends all the way into rural areas, it is inevitable that changes will occur in the traditional social and economic fabric. Reaction to such changes and an inability to control their negative effects have contributed to a prevalent feeling that cities are oppressive and threatening to humanity's true nature. This feeling has contributed, in turn, to a general neglect of settlements in the set of national priorities.

86. By using empirical evidence from a synthetic review in order to formulate a positive vision of the settlement, especially the city, the Conference will become a powerful force for the reorientation of country priorities for resource allocation and capacity-building, as well as for enfranchising neglected groups of people. The result of such reorientation - national and local policies and strategies for strengthening the role of settlements, for guiding their

development, for minimizing their negative impacts - will serve national aspirations and goals well.

C. New human settlements paradigms

87. New hypotheses regarding human settlements development are already replacing the old models used by planners. As has happened in other fields, where theory-inertia results from vested interest in old models, a new settlement science is emerging from the popular literature.

> *The city's force field is not a linear one. Rather, it stretches for a hundred miles in each direction, over towns and villages and across vast tracts of what appears to be open country, far from any existing settlement that could conventionally be called a city. Without any warning, a flash of energy short-circuits the field, and precipitates a shopping centre so big that it needs three or five million people within reach to make it pay. Just as the dust has settled, there is another discharge of energy, and an office park erupts out of nothing, its thirty- forty-storey towers rising sheer out of what had previously been farmland. The two have no visible connection, yet they are part of the same city, linked only by the energy field, just like the housing compounds that crop up here and there, and the airport, and the cloverleaf on the freeway, and the corporate headquarters with its own lake in the middle of a park.*
>
> (From: *The Hundred-mile City* by Deyan Sudjic, 1992.)

88. Empirical or not, such observations should lead to the testing of new hypotheses about settlements and how they work. Sudjic's description of the force field, for example, raises issues of access to vast accumulations of money, huge investments, and the inevitable temptations these engender. This leads to objective questions about the costs and benefits resulting from various types of corrupt practices in governing and managing land, a subject that has received virtually no systematic academic treatment.

89. In many developing countries, the phenomenon of the primate city has been painfully obvious for several decades. The primate city is the one central, usually capital, city that monopolizes economic, political, intellectual and social life of a country, vastly outweighing the next largest city which may be one twentieth its size. Old theories are still driving the regional planning response to such giants (that is, to capitalize the secondary cities with large infusions of investment). While geographers and regional planners are adept at describing phenomena of rank-size, they have failed to formulate the principles that describe how insignificant cities can be transformed into true secondary centres. How, for example, can a city of 500,000 be made to serve as countermagnet to attract people away from a centre of 10 million. A simple arithmetic calculation would suggest that it is not possible. Perhaps treating the centre of 10 million as a force field, *à la* Sudjic, and controlling the location and timing of vast investments in its peripheral area is a better approach.

90. With an updated body of theory, human settlements would benefit from the advantages that other fields of human endeavour have - a set of ordering principles which explain and illuminate the universe and make it more understandable if not controllable. It is hoped that an

integrated report, reviewing human settlements progress from a variety of different perspectives, will contribute to the reformation of settlements science for the benefit of all countries.

D. Cybernetic, universal, and procedural principles

91. The principles of Habitat I, promulgated in 1976, had a relatively short shelf-life, hardly able to respond to the economic and political drama of the 1980s. During this decade and the following years, unrest and social tension in cities of industrialised countries grew immensely. One lesson to be learned from this is that monitoring and evaluation processes must be built into modern plans of action in order to accomplish necessary mid-course programmatic corrections. This necessitates a system of measurable indicators and the management systems to make use of them. The GSS and, to a much greater extent, Agenda 21 have both adopted this method for feedback and control. This is the cybernetic approach to management and is absolutely necessary when conditions change so rapidly and drastically that long-term action plans become outdated as soon as they are formulated.

92. A second lesson that the past decade of experience has thrust upon us is that principles, as guidelines for action, must be drawn with much more generality and universal applicability in order to remain useful over time. Many of the principles promulgated in the Vancouver Plan of Action were negotiated in service to specific interests which were not necessarily representative of humanity's needs. In any case, universality of its underlying principles or goals is the only guarantee that a plan of action will be truly global.

93. A third lesson is born from the acknowledgement that cities are built and operated by non-governmental actors who must be brought into the debate and from whom we have much to learn.

94. With a cybernetic approach, operating principles, in the form of sectoral or sub-sectoral objectives, may be adopted under certain conditions, to be applied in certain places, over a certain length of time. Because human settlements problems and solutions manifest themselves mostly at the local level, operating principles, or objectives, must respond to local conditions and needs. It is therefore important that the global plan of action set forth not the specific substantive principles but rather the procedural principles which determine sectoral objectives, locally.

E. A new Statement of Principles and a Global Plan of Action

95. Anticipating the outcome of the four reviews, the General Assembly has called for a new general statement of principles and a new global plan of action for human settlements. The foregoing discussion provides the Preparatory Committee at its first meeting with a mixture of objective analysis and subjective thinking on the implications of information as it is now known. It would be misleading to suggest, however, that the state of knowledge at the beginning of 1994 is sufficient for the task of setting a definitive direction for human settlements action planning.

Much more information should be revealed through the four analytical reviews and their synthesis during the next two years. This will include information forthcoming from Member States in their preparatory processes.

96. It is expected, therefore, that in deliberating these issues at its first substantive meeting in April 1994, the Preparatory Committee will concentrate on the guidelines for development of both the principles and the plan of action, focusing on substance where it will illuminate and respond to over-riding human values. Given the present state of knowledge about what has worked and not worked, the new paradigm for sustainable human settlements is likely to be people-based, designed around the needs of the individual, family and community. The draft principles and global plan of action will reflect these probabilities.

F. In pursuit of better information

97. The techniques for synthesis of knowledge should not be limited to traditional methods employing single analysts or consultant groups. Even expert group meetings and workshops of reputable human settlements professionals may not elicit the insights required for entering this new territory. While the basic information for each of the four reviews may be generated by traditional means, it will be critical that the results be examined by a wide variety of individuals and interests to penetrate the numerous crevasses that would otherwise remain unseen and unexplored. Urban journalists, religious leaders, writers, film-makers, pundits, and articulate citizens will all be enlisted in the search for new human settlements paradigms that will lead to a global plan of action. Universities, think tanks, and the electronic mail systems will each play a part. And, of course, mayors, councilors, and other relevant urban operators will also be brought into the picture.

98. It is proposed that focus groups, Delphi groups, nominal group techniques, roundtables, and other means be used during the preparatory phase for Habitat II in order to tap all available resources and to plumb more deeply the machinery and meaning of human settlements for purposes of policy and programme development. The process for integrating the four reviews will be the vehicle that will carry these activities forward. The Preparatory Committee is invited to explore this process and the timing required for it to bear fruit.